

By: Thompson of Harris, Cortez, Lujan

H.B. No. 340

Substitute the following for H.B. No. 340:

By: Oliverson

C.S.H.B. No. 340

A BILL TO BE ENTITLED

AN ACT

relating to the requirement and study of insurance coverage for serious emotional disturbance of a child.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1355.001, Insurance Code, is amended by adding Subdivision (5) to read as follows:

(5) "Serious emotional disturbance of a child" means a diagnosable mental, behavioral, or emotional disorder of sufficient duration to meet diagnostic criteria specified in the Diagnostic and Statistical Manual of Mental Disorders that results in functional impairment that substantially interferes with or limits a child's role or functioning in family, school, or community services and that:

(A) has been diagnosed or identified, as applicable, in a person who is at least three years of age and younger than 18 years of age by:

(i) a physician licensed to practice medicine in this state and practicing within the scope of the physician's license; or

(ii) a psychologist, licensed professional counselor, licensed marriage and family therapist, or licensed clinical social worker licensed to practice in this state and practicing within the scope of the applicable license; and

(B) meets at least one of the following criteria:

1 (i) the disorder substantially impairs the
2 person's ability in at least two of the following activities or
3 tasks:

4 (a) self-care;

5 (b) engaging in family relationships;

6 (c) functioning in school; or

7 (d) functioning in the community;

8 (ii) the disorder creates a risk that the
9 person will be removed from the person's home and placed in a more
10 restrictive environment, including in a facility or program
11 operated by the Department of Family and Protective Services or an
12 agency that is part of the juvenile justice system;

13 (iii) the disorder causes the person to:

14 (a) display psychotic features or
15 violent behavior; or

16 (b) pose a danger to the person's self
17 or others; or

18 (iv) the disorder results in the person
19 meeting state special education eligibility requirements for
20 emotional disturbance.

21 SECTION 2. Subchapter A, Chapter 1355, Insurance Code, is
22 amended by adding Section 1355.0041 to read as follows:

23 Sec. 1355.0041. REQUIRED COVERAGE FOR SERIOUS EMOTIONAL
24 DISTURBANCE OF A CHILD. (a) A group health benefit plan:

25 (1) must provide coverage for serious emotional
26 disturbance of a child, based on medical necessity, for not less
27 than the following treatments in each calendar year:

1 (A) 45 days of inpatient treatment; and

2 (B) 60 visits for outpatient treatment,
3 including group and individual outpatient treatment;

4 (2) may not include a lifetime limitation on the
5 number of days of inpatient treatment or the number of visits for
6 outpatient treatment covered under the plan; and

7 (3) must include the same amount limitations,
8 deductibles, copayments, and coinsurance factors for serious
9 emotional disturbance of a child as the plan includes for physical
10 illness.

11 (b) A group health benefit plan issuer:

12 (1) may not count an outpatient visit for medication
13 management against the number of outpatient visits required to be
14 covered under Subsection (a)(1)(B); and

15 (2) must provide coverage for an outpatient visit
16 described by Subsection (a)(1)(B) under the same terms as the
17 coverage the issuer provides for an outpatient visit for the
18 treatment of physical illness.

19 (c) The department shall conduct a study to determine and
20 evaluate the extent to which enrollees are making claims under
21 coverage for serious emotional disturbance of a child and the
22 impact, if any, the coverage for serious emotional disturbance of a
23 child and the claims have on the cost of the coverage for group
24 health benefit plans.

25 (d) Not later than December 1, 2024, the department shall
26 submit to the governor, the lieutenant governor, the speaker of the
27 house of representatives, and the appropriate standing committees

1 of the legislature a report regarding the results of the study
2 required by Subsection (c), together with any recommendations for
3 legislation.

4 (e) This subsection and Subsections (c) and (d) expire
5 September 1, 2025.

6 SECTION 3. Sections 1355.005 and 1355.007, Insurance Code,
7 are amended to read as follows:

8 Sec. 1355.005. MANAGED CARE PLAN AUTHORIZED. A group
9 health benefit plan issuer may provide or offer coverage required
10 by Section 1355.004 or 1355.0041 through a managed care plan.

11 Sec. 1355.007. SMALL EMPLOYER COVERAGE. An issuer of a
12 group health benefit plan to a small employer must offer the
13 coverage described by Section 1355.004 or 1355.0041 to the employer
14 but is not required to provide the coverage if the employer rejects
15 the coverage.

16 SECTION 4. Section 1355.054(a), Insurance Code, is amended
17 to read as follows:

18 (a) Benefits of coverage provided under this subchapter may
19 be used only in a situation in which:

20 (1) the covered individual has a serious mental
21 illness or serious emotional disturbance of a child as defined by
22 Section 1355.001 that requires confinement of the individual in a
23 hospital unless treatment is available through a residential
24 treatment center for children and adolescents or a crisis
25 stabilization unit; and

26 (2) the covered individual's mental illness or
27 emotional disturbance:

1 (A) substantially impairs the individual's
2 thought, perception of reality, emotional process, or judgment; or

3 (B) as manifested by the individual's recent
4 disturbed behavior, grossly impairs the individual's behavior.

5 SECTION 5. The change in law made by this Act applies only
6 to a group health benefit plan that is delivered, issued for
7 delivery, or renewed on or after January 1, 2024. A group health
8 benefit plan that is delivered, issued for delivery, or renewed
9 before January 1, 2024, is governed by the law as it existed
10 immediately before the effective date of this Act, and that law is
11 continued in effect for that purpose.

12 SECTION 6. This Act takes effect September 1, 2023.